

Question	Control	Auditor's duty?
<p>1. Who</p> <ul style="list-style-type: none"> Who performs the control? Does the person have the knowledge and authority to perform the control? 	<p><u>Treasury department</u> is responsible for reconciling daily cash balances.</p>	<p>Verify that person performing this reconciliation has necessary knowledge of treasury operations & authority to access relevant systems & data.</p>
<p>2. What</p> <p>What evidence is available to demonstrate/prove that the control is performed?</p>	<p>Loan <u>approvals</u></p>	<p>Loan approval checklist signed by the credit officer. The auditor would review this checklist to ensure the control was performed.</p>
<p>3. When</p> <ul style="list-style-type: none"> When and with what frequency is the control performed? Is the frequency enough to prevent, detect, and correct RoMM? 	<p><u>Daily reconciliation</u> of ATM cash balances</p>	<p>Assess whether this frequency is sufficient to detect & correct discrepancies in a timely manner</p>
<p>4. Where</p> <ul style="list-style-type: none"> Where is evidence of performance of control retained? For how long is evidence retained? Is evidence accessible/available for audit? 	<p><u>Customer due diligence</u> (CDD) for anti-money laundering (AML) compliance</p>	<p>Evidence is stored in bank's centralized compliance system. Verify that system retains records for required period (e.g., 5 years) & records can be easily retrieved.</p>
<p>5. How</p>	<p>Bank has a control where large transactions (e.g., over ₹10 Lakhs) require dual authorization by 2 authorized officers.</p>	<ul style="list-style-type: none"> How is it performed? System flags transactions above the threshold & sends them to 2 officers for approval. Can it be bypassed? Yes, if one officer has access to both accounts, they could potentially approve the transaction alone. Can bypass be detected? System generates an exception report for transactions approved by a single officer. How are exceptions resolved? Compliance team investigates exceptions & escalates them to senior mgt. Time frame for resolution: Exceptions must be resolved within 24 hours.